

Message Text

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ACTION EB-08

INFO OCT-01 EA-12 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04

ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00

OMB-01 EUR-12 /121 W

-----028111 091407Z /50

R 090730Z SEP 77

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 6294

INFO USMISSION GENEVA

AMCONSUL HONG KONG

AMEMBASSY TAIPEI

UNCLAS SEOUL 7639

GENEVA FOR USMTN

E.O. 11652: NA

TAGS: ETRD, KS

SUBJECT: GROWING RESTRICTIONS ON KOREAN EXPORTS

1. THE RISE OF PROTECTIONISM IN DEVELOPED MARKETS ABROAD IS BECOMING OF INCREASING CONCERN TO THE ROKG. GOVERNOR KIM SUNG-WHAN OF THE BANK OF KOREA IN A SPEECH TO AN ECONOMIC SEMINAR HELD SEPTEMBER 8-9 IN SEOUL STATED THAT "RECENT DEVELOPMENTS, PARTICULARLY IN THE DEVELOPED COUNTRIES, REMIND ME OF THE TRAGEDY THAT PROTECTIONISM BROUGHTABOUT IN THE 1930'S." GOVERNOR KIM CONTINUED IT WAS HIS GROWING IMPRESSION THAT "MANY DEVELOPED COUNTRIES ARE INCLINED TO RISK THE ACCOMPLISHMENTS THE WORLD ECONOMY HAS ACHIEVED SINCE WORLD WAR TWO BY STRENGTHENING IMPORT CONTROLS IN ONE WAY OR ANOTHER."

2. THE KOREA TRADERS ASSOCIATION HAS RECENTLY PUBLISHED A LIST OF IMPORT RESTRICTIONS PLACED ON KOREAN GOODS AS UNCLASSIFIED

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OF JULY. THE TOTAL NUMBER OF COMMODITY ITEMS HAS RISEN TO SEVENTY-FIVE COMPARED TO FIFTY AT THE BEGINNING OF THE YEAR. THIS UNDERSTATES THE ACTUAL NUMBER OF ITEMS RESTRICTED SINCE THE TEXTWLE CATEGORY RANGES FROM 90 RESTRICTED ITEMS OF FOUR DIGIT CCCN FOR THE U.S. TO 17 CATEGORIES FOR EC, 19 FOR AUSTRALIA AND 12 FOR FINALDN.

3. BILATERAL QUOTAS ON VARIOUS TYPES OF TEXTILES ARE THE PRINCIPAL RESTRICTIVE MEASURE EMPLOYED BY THE U.S., CANADA, EC, SWEDEN, AUSTRIA, NORWAY, FINLAND AND AUSTRALIA. IN ADDITION, CANADA HAS SPECIAL QUOTAS ON WOOLEN FABRICS, HOSIERY, LEATHER GARMENTS, GLOVES AND POLYESTER FABRICS. JAPAN AND FRANCE RESTRICT SILK FABRICS WHILE FOOTWEAR IN VARIOUS CATEGORIES ARE RESTRICTED UNDER QUOTAS BY AUSTRALIA, NORWAY, FINLAND, AND SWEDEN. CANADA HAS MET THE FOOTWEAR PROBLEM BY RAISING TARIFFS.

4. OTHER MAJOR ITEMS SINGLED OUT FOR RESTRICTIVE PRACTICES ARE IRON AND STEEL PRODUCTS (UK, FRANCE, AUSTRALIA); TV, BLACK AND WHITE (UK); RADIOS (FRANCE); TABLEWARE (DENMARK, NORWAY); CANNED MUSHROOMS (EC, U.S.); AND TUNA (JAPAN, EC).

5. ACCORDING TO ANOTHER SURVEY, 49 PERCENT OF KOREA'S TEXTILE EXPORTS, 34 PERCENT OF FOOTWEAR, 22 PERCENT OF FISH PRODUCTS, 32 PERCENT OF METAL TABLEWARE AND 97 PERCENT OF RAW SILK PRODUCTS ARE UNDER SOME FORM OF IMPORT RESTRICTION. IN ADDITION, THE EC HAS DESIGNATED KOREA AMONG A "SELECTED" GROUP OF EIGHT COUNTRIES AS A "COMPETITIVE DEVELOPING COUNTRY" WHICH SHARPLY RESTRICTS BENEFITS IT CAN RECEIVE UNDER GSP. ALTOGETHER 25 ADDITIONAL PRODUCTS HAVE BEEN RESTRICTED IN 1977 TO DATE COMPARED TO 14 IN 1976 AND 13 IN 1975. AS GOVERNOR KIM NOTED, "IF THIS ESCALATING TREND CONTINUES, IT WILL UNCLASSIFIED

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CONSTITUTE A SERIOUS PROBLEM FOR THE KOREAN ECONOMY."
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, EXPORT CONTROLS
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: SEOUL
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Review Exemptions: n/a
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Status: NATIVE
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TAGS: ETRD, KS
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